

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

• Lansing, Michigan 48909

• (517) 373-5383

Senate Bill 892 (Substitute S-1)

Sponsor: Senator John J. H. Schwarz, M.D.

Committee: Health Policy

Date Completed: 5-15-90

SUMMARY OF SENATE BILL 892 (Substitute S-1):

The bill would amend the Social Welfare Act to permit an eligible person to receive nursing home services under a short-term nursing care program established under the Public Health Code.

(The Act currently permits an eligible person to receive nursing home services in a State-licensed nursing home, a medical care facility, other facility or identifiable unit of that facility, certified by the appropriate authority as meeting established standards for a nursing home under the laws and rules of the State and the U.S. Department of Health and Human Services.)

MCL 400.109

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have an indeterminate impact on State Medicaid Program expenditures. The magnitude of the impact would depend on the demand for post-hospital extended care services; the availability of nursing home beds; the degree to which swing-beds represented an expansion in nursing home bed capacity, as opposed to a substitute for nursing home beds; the number, occupancy rate, and average length of stay of swing-beds; and the number of Medicaid-only eligible clients who would receive swing-bed services.

Under the existing 20-day length-of-stay limit and the following "worst case" assumptions, the potential cost to the Medicaid program would be \$4.5 million gross; \$2.0 million GF/GP:

- All hospitals currently with fewer than 100 beds would receive swing-bed certification for 10 beds.
- The annual occupancy at each hospital would reach the current maximum 1,825 days.
- The recipients of swing-bed services would be 50% Medicaid-eligible only.
- The Medicaid reimbursement rate would be approximately \$52 per day.
- Swing-bed utilization would represent additional nursing home capacity, as opposed to a substitute for nursing home care.

S.B. 892 (S-15-90)

In the event that the allowable length of stay in a swing-bed was extended to 100 days, as is proposed in Senate Bill 891 (S-1), then the potential Medicaid cost, given the same assumptions, would be approximately \$9.0 million gross; \$4.1 million GF/GP.

Fiscal Analyst: J. Walker  
P. Graham

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.